The binding agreement, which is subject to ratification by both sides, is the first framework for inter-Korean relations agreed to by the two governments since the end of hostilities in 1953.

- Charges under the national security law are being prepared against millionaire evangelist Sun Young Moon for his unauthorized visit to North Korea. His business interests have already seen their credit cut off. North Korea has sought $150 million in investment from Moon for the Tumen River development scheme and other projects.

- The Economic Planning Board has set a target of 7% economic growth for 1992, lower than predicted by some business associations, and lower than the 8% average projected for the 7th five-year development plan. Money supply growth is to be held in the 16-18% range to cool domestic consumption, while export oriented manufacturing is to be encouraged. The inflation target is 9% and the trade deficit is put at $8 billion. Credit controls will be imposed on firms not respecting wage restraints.

TAIWAN

- Taiwan is contemplating the sale of its embassy facility in Seoul, given the expectation that Seoul will switch its recognition to Beijing.

HONG KONG

- A team of 10 Hong Kong legal experts, led by Director of Public Prosecution John Wood, visited Beijing and Shanghai as part of a reciprocal exchange in legal studies over the past few years.

- Lord Caithness, the Foreign Office Minister with special responsibility for Hong Kong, paid a short visit to the territory after Beijing. He defended the Court of Final Appeal makeup and admitted that it was not as flexible as the UK government wanted, but more so than the Chinese wished. He also rejected legislative councillors' demands that LEGCO be consulted before issues are raised in the Sino-British Joint Liaison Group.

- Chinese authorities in Beijing and Hong Kong branded LEGCO as "an advisory body to the Governor" which has no power to repudiate the Sino-British agreement on the Court of Final Appeal. Legislators voted 34-11 in favour of more negotiations and flexibility in the CFA structure. According to Chief Secretary David Ford, this vote will be by-passed by the Hong Kong government.

- South Korea will maintain a consulate in Hong Kong after 1997, according to an agreement reached in November at the APEC ministerial meeting in Seoul by Foreign Ministers Lee Sang-ock and Qian Qichen. About 130 South Korean firms are currently operating in Hong Kong and trade last year totalled US$4 billion.

- According to a forecast by the Hong Kong Trade Development Council, total exports will rise by a moderate 17% in value and 14% in volume next year. These figures are lower than last year's predicted growth rate of 19% and 16% respectively for this year.

VIETNAM

- The last 16 "double backer" Vietnamese boat people were sent back from Hong Kong to Vietnam, along with 12 recent arrivals. Hong Kong police and Correctional Services personnel were on hand to ensure a smooth departure from Hong Kong.

ONGOING AND UPCOMING/ A VENIR

Howard Balloch, currently Director General of Policy Planning Staff, has been named Assistant Deputy Minister, Asia Pacific Branch, External Affairs and International Trade Canada, effective Jan. 2, 1992.

- **Experience Canada, Seoul** - 10-22 Feb. 92
- **Quebec Mission to China** - Jan. 5-13
- **Quebec Mission to Vietnam** - Jan. 14-20

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